



Economics Research Associates

Final Report for
Waterpark Feasibility Study

Submitted to
City of Greenwood, IN

Issued August 23, 2004

ERA Project Number: 15356

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Table of Contents

Table of Contents	1
Table of Tables	2
Executive Summary.....	3
Executive Summary.....	3
1. Introduction	4
Site Description.....	4
Climate	4
2. Visitors to Waterparks.....	6
Waterpark Visitor Characteristics	7
3. Available Markets	11
Market Definition	11
Market Characteristics.....	14
4. Competing Attractions	17
Area Recreation Attractions	17
Current Greenwood Pool	18
Area Waterpark Attractions – General Description	19
Area Waterpark Attractions – Detailed Statistics	24
5. Assessment of Potential Attendance.....	32
Selected Waterparks	32
Penetration Rates and Attendance Projection	33
Budget Issues.....	34
6. Revenue Projections.....	35

Table of Tables

TABLE 1. AVERAGE TEMPERATURE AND PRECIPITATION FOR GREENWOOD	5
TABLE 2. U.S. WATERPARK ATTENDANCE.....	6
TABLE 3. TOP 15 U.S. WATERPARKS, 2003.....	7
TABLE 4. LENGTH OF STAY AT WATERPARKS.....	8
TABLE 5. NUMBER OF VISITS TO WATERPARKS (1999 SEASON).....	8
TABLE 6. AVERAGE DISTANCE TRAVELED TO WATERPARKS	9
TABLE 7. HOUSEHOLD SIZE TO WATERPARKS	9
TABLE 8. TOTAL AMOUNT SPENT AT WATERPARKS (EXCLUDING ADMISSION FEES)	10
TABLE 9. POPULATION	14
TABLE 10. POPULATION BY AGE - 2003	15
TABLE 11. POPULATION BY AGE - 2008	15
TABLE 12. HOUSEHOLDS.....	15
TABLE 13. MEDIAN INCOME.....	16
TABLE 14. COMPETING RECREATION & LEISURE ATTRACTIONS.....	18
TABLE 15. ATTENDANCE	24
TABLE 16. ADMISSION RATES	26
TABLE 17. SEASON PASSES - RESIDENTS.....	28
TABLE 18. SEASON PASSES - NON-RESIDENTS	29
TABLE 19. OPERATING HOURS	30
TABLE 20. AMENITIES.....	31
TABLE 21. OPERATING CHARACTERISTICS OF SELECTED WATERPARKS.....	32
TABLE 22. POPULATION DISTRIBUTION (BASED ON 2008 ESTIMATED POPULATION).....	33
TABLE 23. ESTIMATED RESIDENT MARKET PENETRATION RATES FOR SELECTED WATERPARKS.....	34
TABLE 24. BUDGET & STAFFING LEVELS - 2003 SEASON	34
TABLE 25. PROPOSED ADMISSION RATES	35
TABLE 26. SEASON PASS ASSUMPTIONS.....	35
TABLE 27. ATTENDANCE DISTRIBUTION ASSUMPTIONS	36
TABLE 28. DAILY ATTENDANCE REVENUE ASSUMPTIONS	36
TABLE 29. PROJECTED BIRTHDAY PARTY FEES	38
TABLE 30. PROJECTED BIRTHDAY PARTY REVENUE	38
TABLE 31. PROJECTED GROUP RENTAL REVENUE	39
TABLE 32. PROJECTED TOTAL FOR FACILITY RENTAL FEES	40
TABLE 33. PROJECTED REVENUE FROM SPONSORSHIPS.....	40
TABLE 34. PROJECTED FOOD & BEVERAGE REVENUE	41
TABLE 35. 2004 DOLLAR PROJECTED REVENUE SUMMARY	41
TABLE 36. PROPOSED WATERPARK CASH FLOW PROJECTION	42

Executive Summary

The City of Greenwood, Indiana has retained Economics Research Associates (ERA) to analyze the market potential and financial feasibility of a proposed outdoor waterpark located in Greenwood, IN. In the course of this assignment, ERA evaluated the area's resident and tourist markets, identified competing attractions, assessed the potential attendance of the proposed attraction, completed a financial analysis of the waterpark project, and provided an impact assessment.

The following points summarize the major conclusions of the study. The supporting documentation and analysis used in developing these conclusions are covered in detail in the body of the report.

- There is no specific site for the proposed waterpark in mind; however, the likely location is in Greenwood but west of Route 31. The final location and access and signage to it will have an impact on attendance. Locations that are on familiar roads and that are easy to get to generally have higher attendance levels.
- The size of the primary resident population in 2003 is approximately 129,000, the secondary market population is 311,000, and the extended market is 190,000. The combined market total is 630,000.
- Visitors with children are the focus of the combined market because most groups attending waterparks have children. The estimated market with children 14 years and younger is approximately 183,000 or 29% of the total market.
- Projected revenue based on 96,000 visitors per season beginning in 2008 is \$799 million (year 2004 dollars). This includes revenue from attendance, facility rentals, sponsorships, and food & beverage sales. Expenses in this first year will exceed revenues @ \$814,000 but the facility is expected to break even on an operating basis in subsequent years/
- Food, beverages, and some merchandise would be available for all and would be profit centers.
- Special facilities, rates and food and beverage packages would available for birthday parties and special events sponsored by groups.
- This scenario is for a break-even operation. Break even means that pricing for all sources of revenue are not at market rate but at a level sufficient to cover costs.

There are three waterparks in central Indiana (and one planned) that would be closest in location to Greenwood's waterpark:

- Kokomo Beach Family Aquatic Center in Kokomo
- Tropicanae Cove Family Aquatic Center in Lafayette
- Mooreville Family Aquatic Center in Mooreville.
- A new waterpark in Plainfield, Splash Island, is scheduled to open in summer 2004.

Additionally, new waterparks are planned for Carmel and Decatur in the future. Given the anticipated size and scope of Greenwood's proposed project, these waterparks are not considered major competitors. Greenwood's proposed waterpark will be larger and have a wider variety of rides and activities.

Greenwood's existing pool, site, and bathhouse are 46 years old and do not meet the current needs of its residents. The pool is undersized, has severe leaks, and does not meet code for pool design and ADA access. The diving well also does not meet current codes for diving. The mechanical building and filtering system are in need of repair for more efficient operation and safety. The bathhouse has deteriorated throughout, does not meet ADA, does not meet many building codes, has a failing roof, and needs a new electrical system. The pool was built on a site that has poor subsoils; thus, the parking lot and its subgrade have failed. The existing site is too small for the construction of a bigger capacity to meet the proposed service area. As such, the existing pool does not currently satisfy market demand and with the estimated population growth, it is ERA's opinion that a newer and larger facility is needed for Greenwood.

1. Introduction

The City of Greenwood retained Economics Research Associates (ERA) to analyze the market potential and financial feasibility of a proposed outdoor waterpark located in Greenwood, Indiana. Greenwood is located approximately ten miles south from Indianapolis on Route 31. In the course of this assignment, ERA evaluated the area's resident markets, identified competing attractions, assessed the potential attendance of the proposed attraction, and completed a financial analysis.

This report presents ERA's analysis and findings of the market and financial performance for the proposed waterpark in six sections:

- Section I provides an introduction of the proposed development and describes the site and climatic data.
- Section II discusses waterpark attendance in the U.S. and provides an overview of waterpark visitor characteristics.
- Section III analyzes the resident market in the Greenwood area.
- Section IV identifies regional attractions and competing attractions.
- Section V projects the attendance of the proposed waterpark.
- Section VI examines revenue and expense projections.

Site Description

There is no specific site for the proposed waterpark in mind; however, the general location would be located somewhere off Route 31 near the post office located on West Smith Valley Road.

Climate

Climate characteristics are a key determinant to the potential operating season of a leisure attraction. A water park's attendance is generally negatively affected by cooler temperature since it is uncomfortable for wet users. Higher temperatures, on the other hand, encourage area residents to go to the waterpark in order to escape the heat.

Waterparks located within the region are often open during the summer season, loosely defined from Memorial Day until Labor Day. Kokomo Beach Family Aquatic Center in Kokomo and Tropicana Cove Family Aquatic Center in Lafayette, local water attractions, are open during this period, as are other waterparks in surrounding cities.

The following table shows the main climate characteristics for the Greenwood area. Average temperature indicates the warmest weather occurs in July and August. Other factors such as precipitation, cloudiness, winds and sunny days also affect visitations to waterparks. The table shows monthly precipitation in inches. Rainy hot days would not deter visitors from engaging in water activities unless such storms were prolonged and/ or accompanied by lightening, which make it hazardous to engage in water activities.

Table 1. Average Temperature and Precipitation for Greenwood

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Average Temperature (°F)	26	30	40	51	62	71	75	73	66	54	42	31
Average Precipitation (in.)	2.1	2.1	3.1	3.8	4.6	4.1	4.8	3.9	2.6	2.9	3.7	2.8

Source: www.weather.com

Last summer was a particularly rough summer according to several waterparks in the Indianapolis area. Severe storms and flooding during the summer months hampered attendance rates and delayed renovation construction at several facilities.

2. Visitors to Waterparks

Outdoor waterpark facilities, which were not developed until the late 1970's, are very popular throughout the world. Some are small and cater mainly to the local community, others are very large and act as destination attractions, and many fall in between by catering to the regional resident market and partially to the visitor market. It is anticipated that the Greenwood waterpark would cater primarily to local residents.

According to a representative of the World Waterpark Organization, there are approximately 130 U.S. waterparks with annual attendance figures of 100,000 or more. These waterparks have multiple waterpark components or rides. There are about 400 small to medium-size waterparks in the U.S. These parks are either stand-alone or are part of a larger attraction like a campground or hotel facility. There are also 400 to 500 U.S. waterparks in the public sector and are owned by cities, counties, or park organizations. These are typically mini-waterparks and have a smaller number of water rides. The Greenwood waterpark would most likely fall into the first category though it is operated by an organization from the latter group.

There are currently an estimated 1,000 facilities that feature aquatic entertainment in the U.S. The waterpark industry in general has experienced growth in attendance. The World Waterpark Association estimated that in 2000, waterpark attendance (based on approximately 130 waterparks with annual attendance of 100,000 or more and multiple water rides) topped 71 million visitors, an increase of 4.7% over 1999 attendance levels. There has been only one year of decreased U.S. waterpark attendance in the last decade. The following chart displays the annual historical combined attendance of the top U.S. waterparks (with 100,000 or more annual visitors) since 1985.

Table 2. U.S. Waterpark Attendance

Year	Visitors (in millions)	Percent Change	Year	Visitors (in millions)	Percent Change
1984	18.0	N/A	1993	45.0	9.8%
1985	25.0	38.9%	1994	48.5	7.8%
1986	30.0	20.0%	1995	54.5	12.4%
1987	30.0	0.0%	1996	58.0	6.4%
1988	31.5	5.0%	1997	61.0	5.2%
1989	32.0	1.6%	1998	62.5	2.5%
1990	37.5	17.2%	1999	68.0	8.8%
1991	42.0	12.0%	2000	71.2	4.7%
1992	41.0	-2.4%			
Average Annual Change				3.3	9.4%

Source: World Waterpark Association

Among the estimated 1,000 aquatic-oriented facilities, only 132 of them have an annual attendance of more than 100,000, with 15 of them topping 450,000 and only 3 surpassing the one million mark. The top parks perform considerably better than the others. Attendance at the top fifteen parks is 18% of all waterpark attendance even though they

comprise less than 2% of all aquatic oriented facilities. The top U.S. waterparks for the 2002 and 2003 operating season are as follows:

Table 3. Top 15 U.S. Waterparks, 2003

Name	Location	2003 Attendance	2002 Attendance
Typhoon Lagoon	Lake Buena Vista, FL	1,700,000	1,556,640
Blizzard Beach	Lake Buena Vista, FL	1,600,000	1,723,00
Wet' N Wild	Orlando, FL	1,250,000	1,246,440
Schlitterbahn	New Braunfels, TX	995,000	810,000
Raging Waters	San Dimas, CA	683,025	650,500
Water Country USA	Williamsburg, VA	670,000	700,000
Adventure Island	Tampa, FL	600,000	600,000
Six Flags Hurricane Harbor	Arlington, Texas	560,000	575,000
Wet n' Wild	Las Vegas, NV	560,000	560,000
Noah's Ark	Wisconsin Dells, WI	538,000	566,000
Six Flags White Water	Marietta, GA	500,000	525,000
Six Flags Hurricane Harbor	Jackson, NJ	460,000	475,000
Hyland Hills Water World	Federal Heights, CO	452,683	527,752
Wet n' Wild Emerald Pointe	Greensboro, NC	451,747	485,749
Soak City at Cedar Point	Sandusky, OH	405,000	450,000

Source: Amusement Business

The top three parks are in the Orlando market. These three accounted for almost 40% of all aquatic facility attendance nationwide.

Waterpark Visitor Characteristics

The International Association of Amusement Parks and Attraction (IAAPA) regularly surveys visitors to waterpark and the results are presented in the *National Amusement Consumer Survey*. The most recent survey was conducted in 2000 and provides important insights into waterpark visitors' behaviors. The following section summarizes several important findings.

Length of Stay

The following table shows visitors' length of stay at waterparks according to the *National Amusement Consumer Survey (2000)*. Over 50% of all visitors spend between three and six hours at the facility. The length of stay at the park is highly correlated with the number of active and passive attractions available at the facility. Thus, a visitor's length of stay at the proposed waterpark will depend highly on the amount of active and passive attractions.

Table 4. Length of Stay at Waterparks

Length of Stay	Percent Total Visits
1 Hour or Less	4.2%
2 Hours	7.3%
3 – 4 Hours	25.7%
5 – 6 Hours	26.4%
7 – 8 Hours	20.6%
9 – 14 Hours	10.2%
15–23 Hours	1.5%
1 Day	0.8%
25–47 hours	0%
2 Days	0%
More than 2 Days	0.8%

Source: IAAPA

Visit Frequency

The majority (two-thirds) of the visitors who attended waterparks in 1999 went more than once in that season. As many as 34% of the visitors visited waterparks three or more times a season.

Table 5. Number of Visits to Waterparks (1999 Season)

Number of Times	Percent of Visitors
1 time	33.7%
2 times	22.3%
3–5 times	26.0%
6–8 times	12.1%
9 or more times	5.9%

Source: IAAPA

Travel to Waterparks

The following table shows the distance visitors traveled to go to waterparks. Waterparks, though they may attract out-of-town visitors, primarily serve the local community. Nearly half (48%) of waterpark visitors travel less than 25 miles, and almost two-thirds (66%) of the visitors were from markets 50 miles or less from the facility. Those traveling over 100 miles include the great majority of visitors to waterparks in regional and national destinations like Orlando, Williamsburg, and Wisconsin Dells.

Table 6. Average Distance Traveled to Waterparks

Distance	Percent of Visitors
5 or less miles	12.4%
6–10 miles	11.9%
11–15 miles	10.7%
16–25 miles	13.3%
26–50 miles	18.1%
51–100 miles	13.3%
More than 100 miles	15.5%
No answer	4.7%

Source: IAAPA

Waterpark Visitor Demographic Information

The average number of people in one household visiting waterparks is indicated in the following table. Over half (54%) of households that visited waterparks in the 1999 season have four or more members in their households. This information is important for pricing schemes, marketing, and promotional plans.

Table 7. Household Size to Waterparks

Household Size	Percent of Households
1 member	3.7%
2 members	20.0%
3 members	21.8%
4 members	30.6%
5 or more members	23.9%

Sources: IAAPA

After paying for admission fees, 28.5% of the waterpark visitors spent less than \$15 on food, merchandise, and games in the parks. The following table shows the total amount of money spent at waterparks, excluding entrance fees or ticket prices. By extending the length of stay and offering appealing food and beverage or merchandise choices, a waterpark can increase the total per capita in-park spending.

Table 8. Total Amount Spent at Waterparks
(Excluding Admission Fees)

Total Amount	Percent of Total Visits
Under \$15	28.5%
\$16 – \$25	12.6%
\$26 – \$49	14.6%
\$50 – \$100	11.0%
\$101 – \$125	0.0%
\$126 – \$150	1.3%
\$151 – \$175	0.0%
Over \$176	2.7%
No answer	29.2%

Sources: IAAPA

3. Available Markets

Much of the potential success of any attraction is a function of the available markets as well as the relative drawing power to and level of investment in an attraction. As part of identifying potential opportunities, ERA conducted an analysis of available local and extended markets. We examined population, age, and household income trends of the groups potentially available to support the proposed development.

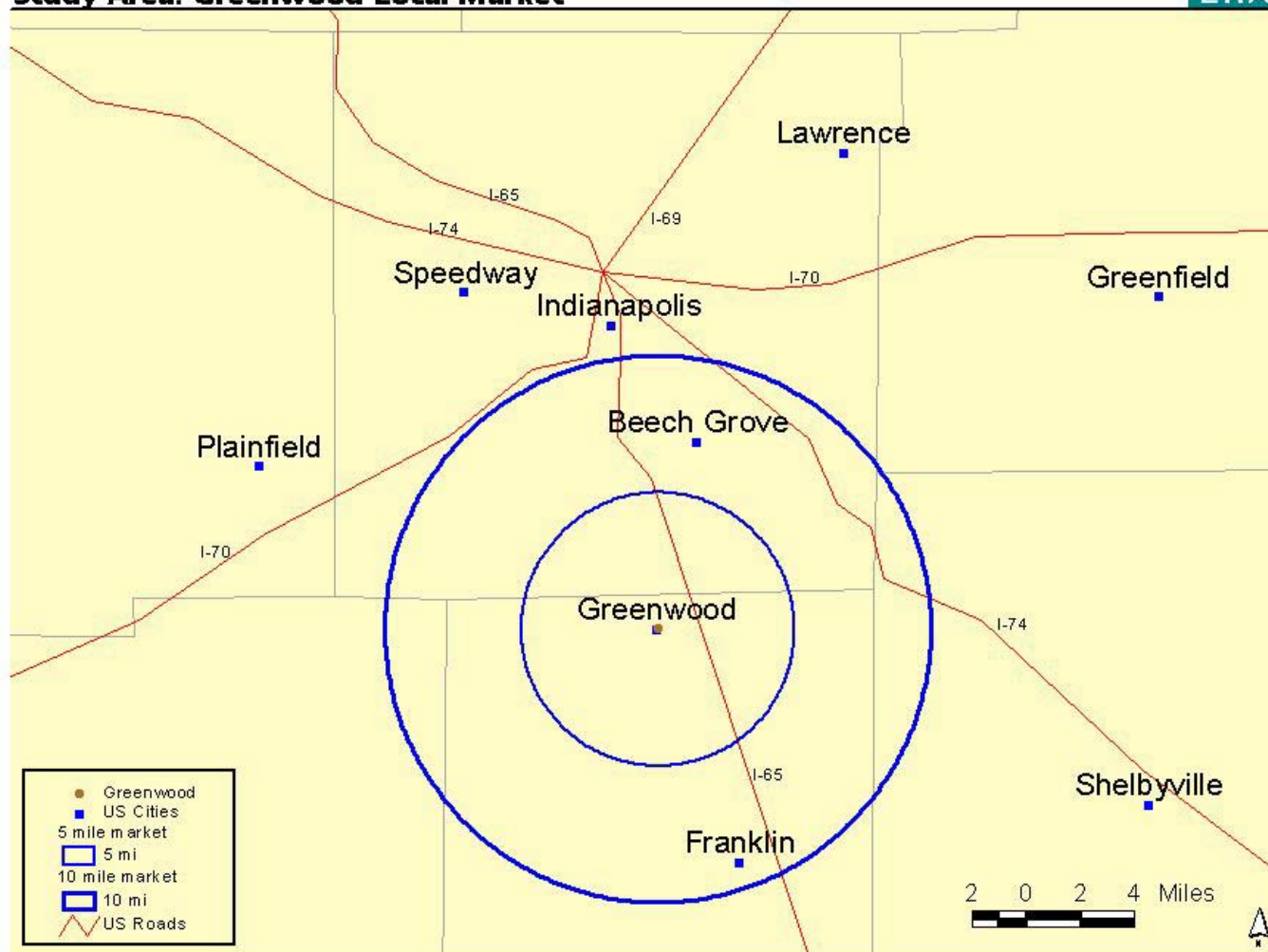
Considering the proposed water park's location as well as the size and the scope of the resident population, ERA defined these markets by a radial method. The overall resident market area encompasses people residing within a 5-mile and 10-mile radius of the park. The market beyond these rings is considered the extended market. The following sections outline the important characteristics of the resident markets.

Market Definition

ERA looked at two rings for the resident market of patrons visiting the proposed waterpark. The first area is a 5-mile ring around the park, and the second area is a 10-mile ring. The resident markets are categorized as primary and secondary, respectively. The third area is a box that extends north to I-70 and a little south of Franklin. This is the extended market, also known as the tertiary market. The following maps depict the primary and secondary market areas and the extended market. If there is a direction that the market may extend to that is not shown on the map that would be south as current and likely future visitation going south is likely to be minimal and stable for the long run. The actual market may extend to Johnson and beyond (recall table in previous section showing how far people can travel for a waterpark.)

Study Area: Greenwood Local Market

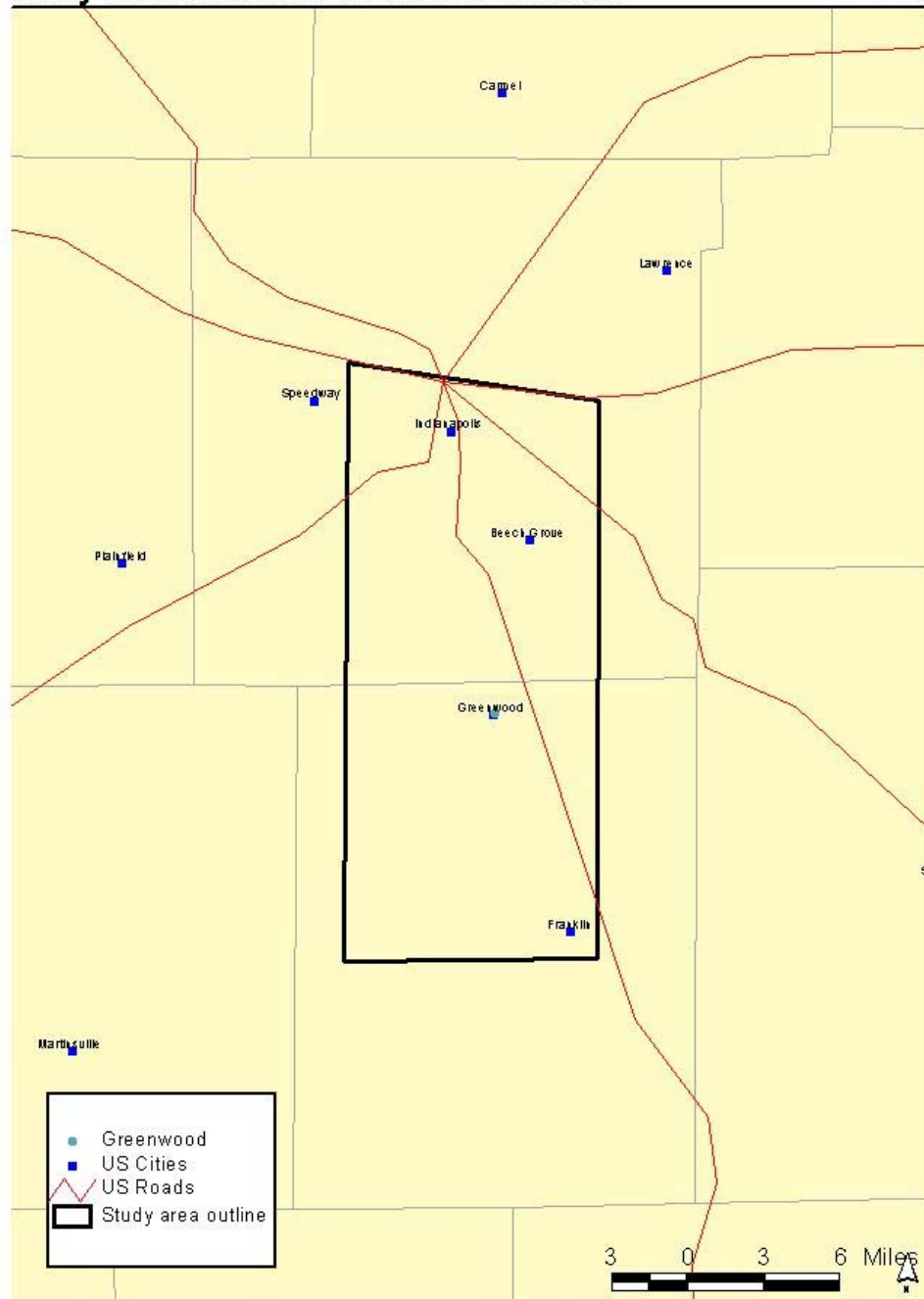
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Waterpark Feasibility Study, Greenwood, IN

Study Area: Greenwood Extended Market

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Waterpark Feasibility Study, Greenwood, IN

Market Characteristics

Statistics obtained for this section are from Business Analyst, a demographics program used in conjunction with GIS ArcView. Business Analyst provides the demographics (hard data) and Arc View provides the visual layers (map). Business Analyst data is based on Census 2000 data and projected for 2003 and 2008 to give a five-year trend. The market rings include data for the City of Greenwood, plus a circular area around the city.

Population

The total population within the three markets was 836,000 in 2003. The resident market's population is projected to grow to a little over 886,000 by 2008, or at a compounded annual growth rate (CAGR) of 1.2% each year. Among the three markets, the primary 5-mile market is projected to grow the fastest at 1.8% annually between 2003 and 2008.

As stated previously in the "Visitors to Waterparks" section, more than 65% of visitors to waterparks come from locations 50 miles or less from the waterpark. Therefore, the two most important markets in regards to the proposed waterpark are the primary and secondary markets. When combined, the primary and secondary populations are 440,000 or 52.6% of the total market in 2003. This ratio increases to 53.3% by 2008. This difference in growth rates is reflected in the compounded annual growth rates (CAGR) below.

Table 9. Population

Market	2003	2008	CAGR
Primary 0-5 mile	129,092	141,044	1.79%
Secondary 6-10 mile	310,687	331,433	1.30%
Extended	396,653	413,563	0.84%
Total	836,432	886,040	1.16%

Source: GIS Business Analyst

Population by Age

The age distribution is relatively similar across the three markets. Likewise, the distribution among the age categories is expected to remain almost the same between 2003 and 2008. Changes in population will increase more noticeably in the 45 – 59 and 60+ categories as Baby Boomers age. The largest age groups in all the markets are the 0-14 and 30 – 44 age group. Together, they account for almost half of the population.

Children and teenagers accounted for 41.9% and 42.6% of the 2003 total population in the primary and secondary markets, respectively. They accounted for 43.0% of the population in the extended market. A strong younger population is one key to waterpark success, because children and teenagers are generally the target customers. The tables on the following page shows these statistics.

Table 10. Population by Age - 2003

5-mile			10-mile		Extended	
Age	2003	% of Pop.	2003	% of Pop.	2003	% of Pop.
0-14	28,533	22.1%	69,215	22.3%	85,540	21.6%
15-29	25,505	19.8%	63,027	20.3%	84,808	21.4%
30-44	30,364	23.5%	72,334	23.3%	93,521	23.6%
45-59	24,971	19.3%	58,742	18.9%	72,547	18.3%
60 +	19,720	15.3%	47,370	15.2%	60,238	15.2%
Total	129,092	100.0%	310,687	100.0%	396,653	100.0%

Source: GIS Business Analyst

Table 11. Population by Age - 2008

5-mile			10-mile		Extended	
Age	2008	% of Pop.	2008	% of Pop.	2008	% of Pop.
0-14	30,833	21.9%	72,541	21.9%	87,320	21.1%
15-29	26,585	18.8%	64,685	19.5%	86,295	20.9%
30-44	31,419	22.3%	72,070	21.7%	90,463	21.9%
45-59	29,361	20.8%	69,103	20.8%	84,612	20.5%
60 +	22,846	16.2%	53,034	16.0%	64,872	15.7%
Total	141,044	100.0%	331,433	100.0%	413,563	100.0%

Source: GIS Business Analyst

Households

The 836,000 residents in the three markets equate to about 331,473 households, which is expected to grow to 355,317 by 2008. About 15.5% of the households are in the primary 5-mile market. By 2008, 16.0% of households will be in the primary market. The average household size across the markets is approximately 2.49 persons.

Table 12. Households

	Number of HH's		Ave. HH Size (Persons)	
	2003	2008	2003	2008
Market				
5-mile	51,245	57,027	2.50	2.46
10-mile	120,603	131,000	2.54	2.54
Extended	157,622	167,291	2.44	2.44
Total	331,473	355,317	2.49	2.48

Source: GIS Business Analyst

Household Incomes

Both the median household and median family incomes for 2003 within the 5-mile primary market (\$56,749 and \$62,770 respectively) are higher than the secondary market and considerably higher than the tertiary market. Comparison of the CAGR between

markets shows that the extended market's median household and family incomes (3.79% and 3.92%, respectively) are expected to increase at a rate slightly faster than the primary and secondary markets. Median household income will increase an average of 3.34% each year between 2003 and 2008, while median family income will increase an average of 3.48% during the same time period. This is a positive indicator of the consumers' spending power for the proposed waterpark.

Table 13. Median Income

Market	Median HH Income			Median Family Income		
	2003	2008	CAGR	2003	2008	CAGR
5-mile	\$56,749	\$66,558	3.24%	\$62,770	\$74,037	3.36%
10-mile	\$50,811	\$58,864	2.99%	\$56,461	\$65,943	3.15%
Extended	\$43,677	\$52,617	3.79%	\$48,829	\$59,189	3.92%

Source: GIS Business Analyst

4. Competing Attractions

In order to fully understand the market demand for the proposed waterpark, it is necessary to evaluate the competition from other attractions in the area. In this section, competition from other recreation attractions and water-theme attractions in and near the market area are discussed.

Area Recreation Attractions

ERA examined a variety of recreation attractions in the Indianapolis area. Some of the regional attractions are listed in the following table. These attractions focus on active recreation (sports, physical activities) and/or leisure activities. Active recreation, such as bicycling or boating, would more likely compete with the proposed waterpark than the leisure activities, such as going to the zoo or the IMAX Theater. Overall, the Indianapolis market offers more recreation and leisure activities than might generally be thought. Many of what be termed ordinary everyday leisure activities have been improved in recent years in Indianapolis as they have elsewhere. Two notable categories are youth sports facilities and pro sports facilities as well which are more comfortable and have been equipped with better amenities than ever before. This is also true for cinemas which were significantly upgraded in comfort, variety, and amenities over the last dozen years in nearly every US market area.

Many of these activities are seasonal, typically summer oriented as that is when they activity (if outdoor) is possible and because some groups like children are more available during the summer vacation period when they are off from school and families are much more likely to take the time to participate in activities together.

All of these leisure time facilities compete for the same leisure time dollars available from area resident and the same pool of available leisure time. They also compete in the same local marketing and advertising market for the attention of prospective patrons. Operating costs for facilities in mid-sized markets like Indianapolis are consequently higher for certain categories like advertising as well as other categories like labor costs than they would be in smaller Indianapolis communities that have waterparks. Although waterparks in all communities face the same issue all seasonal activities do of getting noticed by their marketplace after being seasonally absent for seven or eight months.

Another category of leisure time activity that competes with everyone on the list below is the remarkable growth in at-home entertainment. This goes well beyond the growing video game market (which has passed the North American cinema market in sales) to include growing internet activity by people across all demographics and growing cable and home entertainment center DVD viewing as many have invested in new systems in recent years. More than 60% of all spending in Indianapolis for recreation, hobbies, and entertainment is in the home entertainment categories for access fees, new equipment, and software.

Table 14. Competing Recreation & Leisure Attractions

Name	Type	Location
Bike Indy	Bicycling	Indianapolis
Buffer Park Golf Course	Golf	Indianapolis
Climb It!	Rock climbing wall	Carmel
Dark Armies Indoor Paintball Arena	Indoor paintball	Indianapolis
GameWorks Studio	Video games	Indianapolis
Gary Lee's Whiteland Raceway Park	Go-Karts	Whiteland
Great Times	Family Entertainment	Beach Grove
Heartland Crossing Golf Links	Golf	Camby
Hoosier Park at Anderson	Horse racing	Anderson
IMAX Theater	Movies	Indianapolis
Indiana Basketball Hall of Fame	Sports memorabilia	New Castle
Indiana Downs Race Track	Horse racing	Shelbyville
Indiana Firebirds	Semi-pro football	Indianapolis
Indiana/World Skating Academy	Indoor ice skating/ hockey	Indianapolis
Indianapolis Colts	Football	Indianapolis
Indianapolis Indians	Minor league baseball	Indianapolis
Indianapolis Zoo	Zoo	Indianapolis
Laser Flash	Laser tag	Carmel
MorSports-Indiana Blast Soccer	Semi-pro soccer	Indianapolis
NCAA Hall of Champions	Sports memorabilia	Indianapolis
Rascals	Family Entertainment Ctr.	Whiteland
RCA Championships	Tennis	Indianapolis
Roller Cave	Skating & games	Indianapolis
Royal Pin Leisure Centers	Bowling & games	Indianapolis
Rustic Gardens Golf Center	Miniature golf	Indianapolis
Sinden Racing Service	Car racing	Indianapolis
SportZone	Indoor sports & fitness	Indianapolis
Sweet Charity Farm	Horse shows	Carmel
The Legends of Indiana Golf Course	Golf	Franklin
Track Attack Racing School	Car racing	Indianapolis
Trackside Off Track Betting	Horse racing & betting	Indianapolis
Wheel Fun Rentals	Boating	Indianapolis

Source: Indianapolis Visitors & Convention Association

Current Greenwood Pool

The existing pool, site, and bathhouse are 46 years old and do not meet the current need for Greenwood. The pool is undersized, has severe leaks, and does not meet code for pool design and ADA access. The diving well also does not meet current codes for diving. The mechanical building and filtering system are in need of repair for more efficient operation and safety. The bathhouse has deteriorated throughout, does not meet ADA, does not meet many building codes, has a failing roof, and needs a new electrical system. The pool was built on a site that has poor subsoils; thus, the parking lot and its subgrade have

failed. The existing site is too small for the construction of a bigger capacity to meet the proposed service area. Based on these findings, ERA believes a new waterpark is needed to enhance the quality of life for Greenwood's residents.

Area Waterpark Attractions – General Description

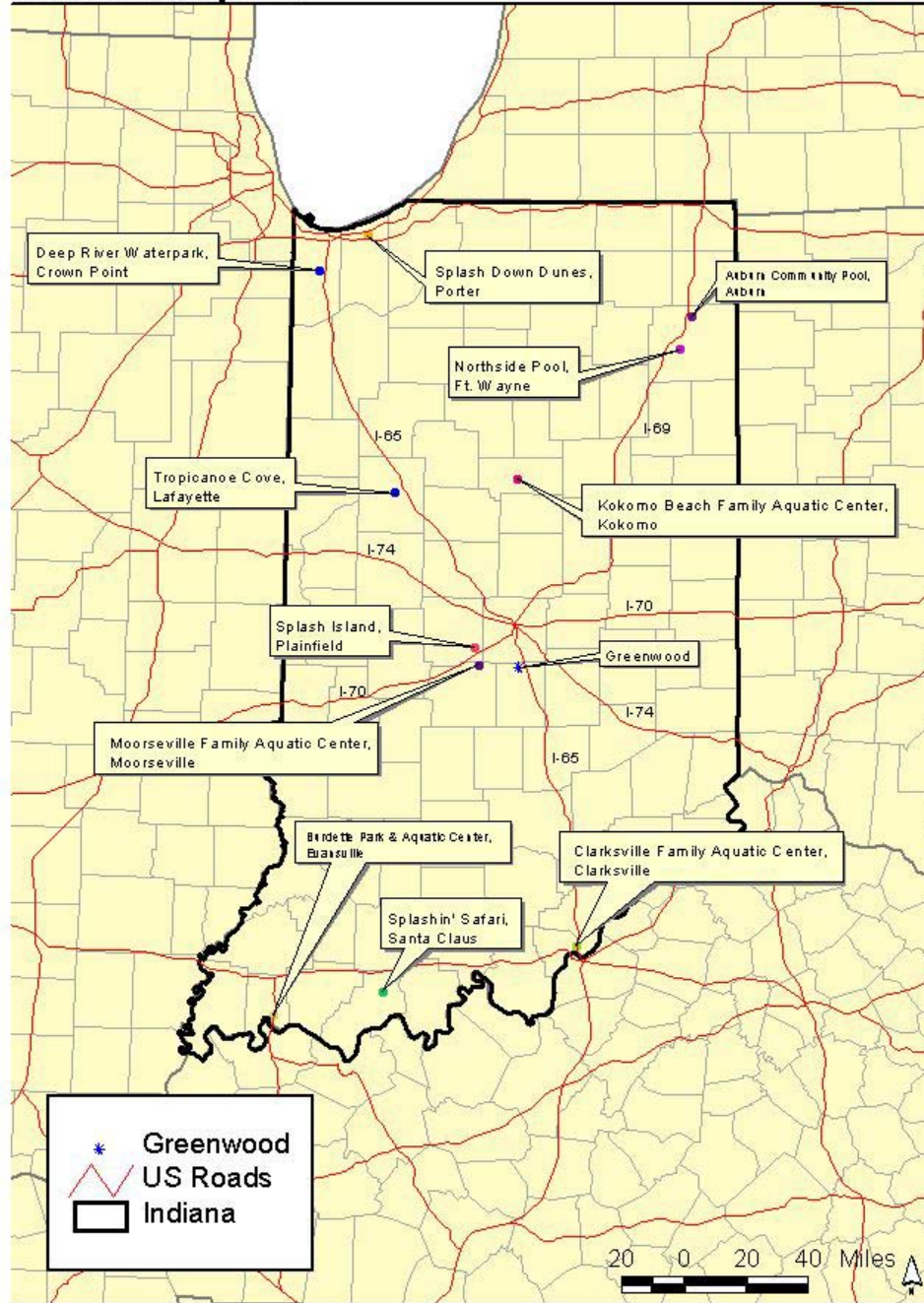
According to the World Waterpark Association, eleven waterparks, which could be used as comparables, operate in Indiana. Two are large, major waterparks and are considered “destination” attractions, meaning people would drive over 100 miles to visit them. They are Splash Down Dunes in Porter, Indiana, and Splashin' Safari in Santa Claus, Indiana. Both of the waterparks are privately owned and operated. The remaining nine are family aquatic centers and are operated by local and county parks and recreation departments. These properties would serve as good models for how the proposed Greenwood waterpark could operate.

Name	Location	Ownership
Auburn Community Pool	Auburn	City of Auburn
Burdette Park & Aquatic Center	Evansville	City of Evansville
Clarksville Family Aquatic Center	Clarksville	City of Clarksville
Deep River Waterpark	Crown Point	Lake County Parks
Kokomo Beach Family Aquatic Center	Kokomo	City of Kokomo
Mooresville Family Aquatic Center	Mooresville	City of Mooreseville
Northside Pool	Ft. Wayne	City of Ft. Wayne
Splash Down Dunes Water Park	Porter	Private
Splash Island*	Plainsfield	City of Plainfield
Splashin' Safari Water Park	Santa Claus	Private
Tropicanoe Cove Family Aquatic Ctr./Columbia Park	Lafayette	City of Lafayette

Of the eleven waterparks, two are located in the north near the Chicago-Gary area, five are located in the central part of the state, and three are located in the south. Location is important, because the five located in central Indiana will be the closet competitors to Greenwood's waterpark. They are: Kokomo Beach Family Aquatic Center, Kokomo; Mooreseville Family Aquatic Center, Mooreseville; Bob Arnold Northside Park & Pool, Ft. Wayne; Splash Island, Plainfield; and Tropicanoe Cove Family Aquatic Center, Lafayette. A GIS map on the following page shows their respective locations. Details about all the aquatic facilities are described below.

Indiana Waterparks

ERA



Waterpark Feasibility Study, Greenwood, IN

Northern Indiana

DeepRiver Waterpark is located in Crown Point, south of Gary, IN, off of I-65. It is a large waterpark operated by the Lake County Parks Department. Major attractions include “The Dragon,” a tall water slide, “The Storm,” three enclosed water tube slides, the “Bayou River,” an 800 foot long lazy river, a 500,000 galloon wave pool, and a water playground for toddlers. The park also has five concession stands, each which serves a different type of snack (pizza, tacos, hot dogs, ice cream, etc.). A bath house is available for changing. The park also has a health services station for first aid needs and locker and tube rentals. Local radio stations broadcast from the park about twice a month during the summer. Group rates and catering are also available for birthday parties, etc. Some rides have height restrictions; patrons need to be at least 46” tall to ride The Dragon.

Splash Down Dunes is located in Porter, east of Gary off of I-94. It is privately operated and opened in May 1994. It is 18 acres and has a capacity of 5,000 people. The total park area (with parking) is 33 acres. According to their website, with 13 waterslides, it has more waterslides than any other park in the state, and the 30,000 square feet wave pool is the largest in the Midwest. It reportedly has the cleanest water out of any waterpark in Indiana.

Attractions include the wave pool, “The Big Wave,” “The Giant Twister,” a 43-feet high twisting water slide, “The Tower,” a 68 foot tall water slide, the “Black Cobra” tube slide complex, and the 1200 foot long “Lazy River,” one of the largest in NW Indiana. For children 48” or smaller, Splash Down Dunes has “Sandcastle Bay,” with smaller water slides and a wading pool and “Dolphin Cove,” which is a water playground. Sand volleyball is also available. The park also has an indoor arcade and an indoor playground for toddlers.

In addition, Splash Down Dunes has concession stands and a gift shop. Patrons are also allowed to bring in their lunches for picnics on the park grounds. Lockers are available for rent, and life jacket use is free. The park also has a First Aid stand, and according to their website, Splash Down Dunes has the lowest number of reported accidents. The park underwent some construction in 2003 and is expected to continue in the 2004 season.

Central Indiana

Tropicanae Cove Family Aquatic Center is located in the historic Columbian Park in Lafayette. It opened in June 1999 and is operated by the Park Department. It features a 299 foot tube slide, “The Banana Peel,” a 640 foot lazy river, “Cattail Crik,” high energy drop water slides, “Toucan Chutes,” a zero depth entry pool, “The Frog Pond,” and a sand volleyball court. It also has a children’s water play area, “Sunfish Bay,” a children’s water slide, “Dolphin’s Delight,” and a children’s sand play area. Tropicanae Cove offers concessions and lockers. The park also has a long-standing tradition of offering family nights, according to their website. Admission is discounted for families every Wednesday after 4:30PM and lasts until 8PM. Local radio stations also broadcast from the park on Family Night. Group rates are also available for birthday parties and private

rentals, and special rates are offered to non-profit organizations. Tropicanoe also offers water walking, water aerobics, and swim lessons.

Bob Arnold Northside Park & Pool in Fort Wayne is part of the Fort Wayne Park and Rec Department. Fort Wayne has three other pools; the Northside Pool is the only one which could be considered an aquatic center. It has water slides and a water playground for younger children. Concessions and locker rental are available. The pool may also be rented for private parties and groups.

Auburn Community Pool is located in Auburn, which is north of Fort Wayne on I-69. It is operated by the City of Auburn. The pool has one water slide and a children's play area. It also has a diving well with two diving boards. Swim lessons are also available.

Kokomo Beach Family Aquatic Center is located in Kokomo and opened in 2002. It is operated by the Parks Department. It features a leisure pool, competition and lap pool, high energy water slides, a kiddie slide, a lazy river, a slide tower, sand volleyball, and a children's sand playground. The Center also has a bathhouse and a family changing room. A food court is also available. Programs offered at the Center include swim lessons, water aerobics, river walking, live radio entertainment on Wednesdays, private birthday parties and rentals, and health and safety programs.

The Moorseville Family Aquatic Center is located in Moorseville, which is directly west of Greenwood. It opened in 1989 and has undergone renovations in 1993, 1997, and 2002. The park itself is 114 acres. It features a new splash pad play area, a 151 foot water slide, a 3 tube drop slide, and a 1 meter diving board. For pools, the Aquatic Center has a zero-depth pool, a training pool (zero to 3 ½ feet in depth), a kiddie wading pool, and a 260,000 gallon competition pool where the water slides are located. The Aquatic Center also has a bathhouse with shower and changing rooms, 2 full service concession stands, and lockers. Programs offered at the Moorseville Center include swim nights, water aerobics, and family nights. The Aquatic Center is also wheelchair accessible.

Staff indicated that attendance was 46,329 during the 2003 season and 400 season passes were sold. Of those 400, 13 were sold to individuals with Greenwood addresses. Staff indicated that more people would come from Greenwood, but heavy semi traffic on the freeways deterred attendance.

Splash Island is the new waterpark being built in near-by Plainfield, which is directly north of Moorseville off of I-70. It is scheduled to open in 2004. It will feature a competition pool and diving well, a leisure pool, and water slides. Splash Island will be in the same location as the new Recreation Center and Indoor Aquatic Center, which is also being built. All three will be operated by the Plainfield Park & Recreation Department.

Carmel-Clay Central Park is a new park planned in Carmel. A new waterpark will be built in the Monon Centre. It will be the heart of the park, containing the majority of the park's indoor and "facility" programming, including:

- A 3.5 acre family aquatic center with a zero depth activity pool, 4-lane non-competitive lap pool, teen zone (slides, lazy river), kid's zone (kiddie pool and sprayground) and concession areas.

- A 106,000 s.f. community center called the Monon Centre that will include an indoor gym (2 courts with leisure track above), indoor pools (leisure depth and a six-lane non-competitive lap pool), health fitness and aerobics, indoor children's play areas, cultural use/general program areas, flexible lobby space, a viewing tower, nature center and facility and central administration. The building will be a sculptural architectural form, built into planted hillsides and designed to span the Monon Trail.

Decatur Parks & Recreation Department is also planning a new waterpark. It is anticipated this will not be on the same scale as the one planned for Greenwood.

Southern Indiana

Burdette Park & Aquatic Center in Evansville is located near the Kentucky border. The Aquatic Center is located in the park and has bumper boats, 2 mega water slides, and a large children's area. The park features Overnight Chalets for families, tennis and basketball courts, and a campground area with shower and laundry. BMX track racing is also available at the site.

Splashin' Safari in Santa Claus, Indiana, is also located near the Kentucky border. It is a large, privately owned and operated waterpark. It is located on the same site as the Holiday World Amusement Park. Admission covers both facilities. According to their website, they repeatedly have been named the World's Friendliest and Cleanest amusement facilities, and *Splashin' Safari* was voted the #3 waterpark in the world in *Amusement Today* magazine.

Feature attractions include water slides, "AmaZOOM," "Bamboo Chutes," and "Watubee," tube rides, "Otorongo," "Zinga," and "Zoombabwe," the lazy river, "Congo River," "Jungle Jets" water sprayground, and "Monsoon Lagoon" water playground with games, and "TheWave" wave pool. New in 2004 is "Jungle Racer," a 5-story high water slide. For children, the waterpark offers "Crocodile Bay," with two pools and animals slides, and "Butterfly Bay," a smaller wave pool.

The park also features 15 food concession stands, each featuring a different snack (pizza, ice cream, etc.). It has locker rentals, gift shops, a First Aid station, and strollers, wagons, and wheelchair rental. *Splashin' Safari* also offers free inner tubes, soft drinks, and sunscreen. Admission is based on height: over 54" and under 54". Some rides do have height restrictions.

Clarksville Family Aquatic Center in Clarksville is also located near Kentucky in the Louisville MSA. The Aquatic Center is operated by the Clarksville Park and Recreation Department. It features a zero-depth pool with interactive water features, a lap pool, a plunge pool with 154 foot water slides, a bathhouse, 2 sand volleyball courts, a children's sand playground, and a full-service concession area. Private rentals and group rates are available. Programs offered include water aerobics, swim lessons, and 2 swim teams.

Area Waterpark Attractions – Detailed Statistics

This next section focuses on detailed statistics of each waterpark including attendance, admission, season passes, hours, amenities, and special events.

Attendance

The common theme among all the waterparks ERA contacted for attendance information was that weather negatively impacted the numbers. Indiana, in particular, suffered heavy storms and flooding during the 2003 season. Bad weather affected attendance nationwide in 2003, and larger regional waterparks also felt the impact. The waterpark with the highest attendance was Splashin' Safari with 780,000. This includes admission to both the waterpark and Holiday World, the amusement park. Deep River Waterpark, operated by Lake County, had 190,000 visitors. Smaller local waterparks averaged about 44,800 visitors. Kokomo Beach had 70,000 patrons, Tropicanae Cove in Lafayette had 65,098, and Mooresville had 46,329.

Table 15. Attendance

Name	Location	2003 Attendance
Auburn Community Pool	Auburn	15,137
Burdette Park & Aquatic Center	Evansville	65,000
Clarksville Family Aquatic Center	Clarksville	20,000
Deep River Waterpark	Crown Point	190,000
Kokomo Beach Family Aquatic Center ^a	Kokomo	70,000
Mooresville Family Aquatic Center ^b	Mooresville	46,329
Bob Arnold Northside Park & Pool	Ft. Wayne	31,953
Splash Down Dunes Water Park	Porter	75,000
Splash Island	Plainsfield	under construction
Splashin' Safari Water Park ^c	Santa Claus	780,000
Tropicanae Cove Family Aquatic Ctr./Columbia Park	Lafayette	65,098

Source: World Waterpark Association; individual centers

a. closed for 2 weeks due to flooding; will be open for a longer season in 2004; expected attendance for 2004 is 85,000 – 90,000

b. attendance was down bc of bad weather; a high amount of semi traffic on the highways decreases attendance, esp. from Greenwood

c. attendance was down bc of bad weather; includes attendance at the waterpark and amusement park

Admission Rates

The highest admission rates are found in the privately-owned waterparks, which is to be expected. They have more amenities and serve a regional market. The local waterparks have rates at a much lower cost. These include Auburn, Burdette, Clarksville, Kokomo, Moorseville, Northside, Splash Island, and Tropicanae Cove. Adult, youth, and senior admission at Kokomo is \$5.00, \$4.00, and \$5.00, respectively; at Tropicanae Cove, admission is \$5.00, \$4.00, and \$5.00, respectively. Both places charge the same amount for residents and non-residents. Tropicanae charges between \$.50 and \$1.50 more on weekends.

The average resident rate for the waterparks operated by local park and recreation departments (excluding Deep River) is \$4.30 for adults, \$3.60 for children, and \$3.70 for seniors. Children 2 and under are usually free. The average non-resident rates are \$4.50 for adults, \$4.00 for children and \$4.40 for seniors. Six of the eight local waterparks do not charge higher admission for non-residents.

Table 16. Admission Rates

Name	Location	Resident				Non-Resident			
		Adult (18+)	Youth (3-17)	Toddlers (<2)	Senior (55+)	Adult (18+)	Youth (3-17)	Toddlers (<2)	Senior (55+)
Auburn Community Pool ¹	Auburn	\$2.00	\$2.00	free	\$2.00	\$2.00	\$2.00	free	\$2.00
Burdette Park & Aquatic Center	Evansville	\$6.00	\$4.75	free	\$6.00	\$6.00	\$4.75	free	\$6.00
Clarksville Family Aquatic Center	Clarksville	\$4.00	\$4.00	\$4.00	\$3.60	\$5.50	\$5.50	\$5.50	\$4.95
Deep River Waterpark ²	Crown Point	\$12.00	\$5.00	free	\$12.00	\$14.00	\$7.00	free	\$14.00
Kokomo Beach Family Aquatic Center ³	Kokomo	\$5.00	\$4.00	free	\$4.00	\$5.00	\$4.00	free	\$4.00
Moorseville Family Aquatic Center ⁴	Mooresville	\$3.00	\$3.00	\$1.50	\$3.00	\$3.00	\$3.00	\$1.50	\$3.00
Bob Arnold Northside Park & Pool ⁵	Ft. Wayne	\$3.75	\$2.75	free	\$3.75	\$3.75	\$2.75	free	\$3.75
Splash Down Dunes Water Park ⁶	Porter	\$17.00	\$10.00	\$10.00	\$10.00	\$17.00	\$10.00	\$10.00	\$10.00
Splash Island ⁷	Plainsfield	\$5.00	\$3.50	\$3.50	\$3.50	\$7.75	\$6.50	\$5.00	\$6.50
Splashin' Safari Water Park	Santa Claus	\$31.95	\$23.95	free	\$23.95	\$31.95	\$23.95	free	\$23.95
Tropicanae Cove Family Aquatic Ctr./Columbia Park ⁸	Lafayette	\$5.00	\$4.00	free	\$5.00	\$5.00	\$4.00	free	\$5.00

Source: World Waterpark Association, individual centers

1. children 5 and under are free

2. rates increase \$1 in July and August for adults; resident rates apply to IN residents

3. rates decrease by \$1 after 4PM

4. toddler rate is for those 3-5 years; under 2 years free

5. rates decrease by \$.50 after 5PM

6. \$10 for all after 4PM

7. cheaper rates between 3PM and 6PM; spectator passes also available

8. rates increase \$1.50 on weekends; spectator pass is \$2.50; rates reduce by \$1.50 after 4PM

Season Passes

Rates for adult season passes range from a low of \$30 at the Auburn Community Pool to a high of \$90 at the Northside Pool in Fort Wayne. The adult season pass at Splash Island in Plainfield is \$280; however, this pass can be used at the recreation center, indoor aquatic center, and Splash Island. Kokomo Beach has season passes for adults and youths at \$50 and \$40, respectively. They do not offer non-resident passes. Tropicanae Cove in Lafayette has season passes for adults, youths, and seniors for \$50, \$50, and \$50, respectively. These rates are good for both residents and non-residents. Few (only three) local waterparks offer family passes. Please refer to the tables on the following page for more information.

Hours

The majority of the local and regional waterparks open around Memorial Day weekend and close around Labor Day. Several of the facilities reduce their hours in August as children go back to school. Several also have shorter operating hours during June because of the cooler weather. By July, most waterparks are open around 10 or 11AM until 7 or 8PM about half of the waterparks open later on Sunday, around 11AM or noon. The tables on the following pages show this information.

Amenities

All the waterparks have waterslides, and ten out of eleven have areas for smaller children such as kiddie slides and wading pools. Other popular features are tube slides and lazy rivers, followed by wave pools and zero-depth entry pools. Some of the larger regional waterparks and the larger local waterparks have sand volleyball courts and sand playgrounds for younger children. Community facilities which are located in parks are also likely to have tennis and basketball courts and picnic areas and shelters. The majority of the waterparks have bathhouses or changing rooms equipped with lockers. Ten of the eleven have concession stands of some sort; the regional waterparks have several. First Aid stations are also popular at the regional waterparks, as are free lifejackets and/ or inner tubes. See the following tables.

Special Events

The majority of facilities will hold private rentals for group outings or birthday parties. Several of the local water facilities also offer swim lessons and water aerobics. River walking is also a popular activity if the facility has a lazy river. Several of the local and the regional waterparks also have entertainment with live radio broadcasts during the weekdays. The local water facilities are also more likely to host family nights. Kokomo and Tropicanae Cove offer the widest variety of special events and programs of the local waterparks. See the following tables.

Table 17. Season Passes - Residents

Name	Location	Adult	Youth	Family	Senior
Auburn Community Pool	Auburn	\$30.00	\$25.00	\$60.00	\$25.00
Burdette Park & Aquatic Center	Evansville	NA	NA	NA	NA
Clarksville Family Aquatic Center	Clarksville	\$40.00	\$40.00	NA	\$36.00
Deep River Waterpark ¹	Crown Point	\$85.00	NA	NA	NA
Kokomo Beach Family Aquatic Center ²	Kokomo	\$50.00	\$40.00	NA	NA
Moorseville Family Aquatic Center ³	Mooresville	\$35.00	\$15.00	\$80.00	\$35.00
Bob Arnold Northside Park & Pool	Ft. Wayne	\$90.00	\$65.00	inquire at pool	NA
Splash Down Dunes Water Park ⁴	Porter	\$85.00	NA	NA	NA
Splash Island ⁵	Plainsfield	\$280.00	\$175.00	\$525.00	\$175.00
Splashin' Safari Water Park ⁶	Santa Claus	\$79.95	\$69.95	NA	\$69.95
Tropicanae Cove Family Aquatic Ctr./Columbia Park ⁷	Lafayette	\$50.00	\$40.00	NA	\$50.00

Source: World Waterpark Association; individual centers

1. \$85 for first family member; \$60 for each one thereafter (up to 6)
2. sold only through July 4th and only to residents
3. youth passes are for ages 3 – 5; adult passes 6 years +
4. 2004 season passes can be bought for \$60 between 9/1/03 and 12/25/03; \$70 between 12/26/03 and 5/31/04; \$85 June 1 and later.
5. passes are good at the rec center, outdoor and indoor aquatic centers, and the skate park
6. season pass holders save 10% on food and merchandise; youth passes are good for those 54" or less
7. passes are good for 12 visits

Table 18. Season Passes - Non-Residents

Name	Location	Adult	Youth	Family	Senior
Auburn Community Pool	Auburn	\$40.00	\$35.00	\$70.00	\$35.00
Burdette Park & Aquatic Center	Evansville	NA	NA	NA	NA
Clarksville Family Aquatic Center	Clarksville	\$55.00	\$55.00	NA	\$49.50
Deep River Waterpark ¹	Crown Point	\$85.00	NA	NA	NA
Kokomo Beach Family Aquatic Center ²	Kokomo	NA	NA	NA	NA
Moorseville Family Aquatic Center ³	Mooresville	\$45.00	\$20.00	\$105.00	\$45.00
Bob Arnold Northside Park & Pool	Ft. Wayne	NA	NA	NA	NA
Splash Down Dunes Water Park ⁴	Porter	NA	NA	NA	NA
Splash Island ⁵	Plainsfield	\$400.00	\$250.00	\$750.00	\$250.00
Splashin' Safari Water Park ⁶	Santa Claus	\$79.95	\$69.95	NA	\$69.95
Tropicanoe Cove Family Aquatic Ctr./Columbia Park ⁷	Lafayette	\$50.00	\$40.00	NA	\$50.00

Source: World Waterpark Association; individual centers

1. \$85 for first family member; \$60 for each one thereafter (up to 6)
2. sold only through July 4th and only to residents
3. youth passes are for ages 3 – 5; adult passes 6 years +
4. 2004 season passes can be bought for \$60 between 9/1/03 and 12/25/03; \$70 between 12/26/03 and 5/31/04; \$85 June 1 and later.
5. passes are good at the rec center, outdoor and indoor aquatic centers, and the skate park
6. season pass holders save 10% on food and merchandise; youth passes are good for those 54" or less
7. passes are good for 12 visits

Table 19. Operating Hours

Name	Season	M-F	Sat.	Sun
Auburn Community Pool	June – August	11AM – 6PM	11PM – 6PM	12PM – 6PM
Burdette Park & Aquatic Center	Memorial Day – Labor Day	10AM – 10PM	10AM – 10PM	10AM – 10PM
Clarksville Family Aquatic Center ¹	Memorial Day – end of August	12PM – 6PM	12PM – 6PM	12PM – 6PM
Deep River Waterpark ²	mid-May – Labor Day	10AM – 6PM	10AM – 6PM	10AM – 6PM
Kokomo Beach Family Aquatic Center	Memorial Day – mid August	11AM – 7PM	11AM – 6PM	12PM – 6PM
Moorseville Family Aquatic Center	June – August	11AM – 7PM	11AM – 7PM	12PM – 7PM
Bob Arnold Northside Park & Pool	Memorial Day – end of August	12:30PM – 5PM; 7PM – 9PM	12:30PM – 5PM	12:30PM – 5PM
Splash Down Dunes Water Park ³	Memorial Day – Labor Day	10AM – 8PM	10AM – 8PM	10AM – 8PM
Splash Island	NA	NA	NA	NA
Splashin' Safari Water Park ⁴	mid-May – end of August	11AM – 7PM	11AM – 8PM	11AM – 7PM
Tropicanoe Cove Family Aquatic Ctr./Columbia Park ⁵	Memorial Day – Labor Day	11AM – 7PM	11 – 7PM	11AM – 7PM

Source: World Waterpark Association; individual centers

1. Open 12 – 8 Tues, Thurs, Fri

2. Open 10 – 9:30 on Tubin' Tuesdays

3. Open 10 – 6 mid-August to Labor Day

4. Closes 1 hour earlier in early June and mid-August

5. Closes 1 hour earlier in early August

Table 20. Amenities

Name	Waterslides	Tube Slides	Lazy River	Leisure Pool	Competition Pool	Wave Pool	Zero-Depth Entry Pool	Kiddie Rides/ Playland/ Wading Pool	Volleyball Courts	Sand Playground	Picnic Area	Shelters	Bathhouse/ Changing Area	Lockers	Concessions
Auburn Community Pool ¹	x	x		x	x			x							
Burdette Park & Aquatic Center ²	x							x			x	x	x	x	x
Clarksville Family Aquatic Center	x				x		x			x			x		x
Deep River Waterpark ³	x	x	x			x		x	x				x	x	x
Kokomo Beach Family Aquatic Center	x		x	x	x			x	x	x			x		x
Moorseville Family Aquatic Center ⁴	x	x			x		x	x					x	x	x
Bob Arnold Northside Park & Pool	x			x	x			x	x	x	x	x			x
Splash Down Dunes Water Park ⁵	x	x	x			x		x	x	x	x	x	x	x	x
Splash Island ⁶	x		x	x	x			x							x
Splashin' Safari Water Park ⁷	x	x	x			x		x			x	x	x	x	x
Tropicanoe Cove Family Aquatic Ctr./Columbia Park ⁸	x	x	x		x		x	x	x	x				x	x

Source: World Waterpark Association, individual centers

1. Diving well

2. Bumper boats

3. First Aid, tube rentals, gift shop

4. Training pool

5. First Aid, indoor arcade & playground, free lifejackets

6. Diving well

7. Lost child area, free inner tubes, soft drinks & sunscreen; gift shop, stroller, wagon & wheelchair rental

8. Free inner tubes & lifejackets

5. Assessment of Potential Attendance

There are several steps involved in projecting the attendance for the waterpark. The attendance potential of the proposed waterpark is based on available market information on the U.S. waterpark industry as a whole and individual waterpark markets similar in location and/or size to the proposed waterparks market. ERA first acquired information from the International Association of Amusement Park and Attractions (IAAPA) to analyze the U.S. waterpark industry as a whole. Then ERA selected individual waterparks to compare market and attendance information. Information on attendance distribution provided in an IAAPA survey provides a general impression of how attendance is broken down into the market segments. This information, combined with the knowledge obtained from individual waterparks, is used to select distribution rates for the proposed waterparks market.

The distribution rates, when applied to the market populations of the comparable parks, generate penetration rates. The penetration rates of these selected parks are then applied to the market populations of the proposed waterpark to attain an annual projection of attendance.

Selected Waterparks

ERA's assessment is based on available information on the U.S. waterpark industry as a whole and individual waterparks with markets similar in size or location. The appropriate comparables for this study are Kokomo Beach Family Aquatic Center, Mooreseville Family Aquatic Center, and Tropicanae Cove. All are located in close proximity to Greenwood. Market information from these waterparks is used to generate an average penetration rate for each market segment. The penetration rate is then applied to the market segments of the proposed park to generate the estimated attendance.

Due to the climatic changes in each market, all of the comparable waterparks have an operating season that runs roughly from Memorial Day to Labor Day. The average adult admission rate is approximately \$5.00, while the average child admission rate is \$4.00. This fee information is used later in the financial analysis to determine admission fees for the proposed park. A breakdown of these operating characteristics for each waterpark is described in the following chart.

Table 21. Operating Characteristics Of Selected Waterparks

Name	Location	Season	Adult Rate	Youth Rate	Acres
Kokomo Beach Family Aquatic Center	Kokomo	Mem. Day – August	\$5.00	\$4.00	10
Tropicanae Cove Family Aquatic Center	Lafayette	June – August	\$5.00	\$4.00	40
Moorseville Family Aquatic Center	Moorseville	Mem. Day – Labor Day	\$3.00	\$3.00	114*

Source: Individual centers, ERA

*includes entire park

The annual attendance of the selected waterparks ranges from 70,000 for Kokomo, 65,098 for Tropicanae Cove, to 46,329 for Mooresville. These attendance figures are multiplied by the distribution rates (95% of the attendance from 0-10 miles) to determine the number of visitors from each market segment. These numbers are then divided by the population in each market segment to produce the penetration rates.

Penetration Rates and Attendance Projection

Because the proposed waterpark will be geared towards a local market with repeat attendance, penetration rates will be greatest in the primary market. Regional attendance will be significantly smaller. The table below shows the breakdown of total population by market areas.

Table 22. Population Distribution (Based on 2008 Estimated Population)

Waterpark	Primary Market	Secondary Market	Extended Market	Total Population
Kokomo Beach Family Aquatic Center	66,925	89,983	116,589	273,497
Mooresville Family Aquatic Center	37,717	150,793	514,374	702,884
Tropicanae Cove Family Aquatic Center	129,074	154,442	173,265	456,781
Proposed Waterpark	141,044	331,433	396,653	876,432

Source: GIS Business Analyst, ERA estimates

A community-oriented waterpark, similar to the proposed waterpark, usually draws 95% of its attendance from within 10 miles. Therefore, the greatest penetration will occur in the 0- to 10-mile market around the waterpark. Market penetration rates are listed in the table below.

It is generally reasonable to expect that the higher population in a market, the lower the penetration rates. The higher the population in a market, the more the transportation barrier there is for people to get to a waterpark. Also, the larger the market, the weaker the awareness people have toward an attraction.

Tropicanae Cove has a primary market (0-5 miles) population of 129,000 that is most similar to Greenwood's (141,000). However, the proposed waterpark has a much larger 0-10 mile market (472,000). Therefore, ERA estimates that the proposed waterpark will have a penetration rate of 22%, like Tropicanae's.

Table 23. Estimated Resident Market Penetration Rates for Selected Waterparks

Location	Attendance	Primary Size	Market Penetration	Secondary Size	Market Penetration	Tertiary Size	Market Penetration
Kokomo	70,000	66,925	78%	89,983	16%	116,589	3%
Moorseville	46,239	37,717	92%	150,793	6%	514,374	2%
Lafayette	65,098	129,074	38%	154,442	8%	173,265	3%
Greenwood	NA	141,044	NA	331,433	NA	695,600	NA

Source: Individual Parks and ERA

If we used averages of the three penetration rates by market area to project Greenwood's attendance the total attendance would come to approximately 150,000. But Greenwood has a key difference with these other facilities. It is in a metro area with many other leisure choices. This will have a stronger impact on the secondary and tertiary markets. The impact of Greenwood's location, likely to be within a residential area and not on a major highway will also have an impact, but less so on the local (Greenwood itself) market.

Technically we arrived at the figure of 120,000 by taking the average penetration rates of the three comparables, halving them for the secondary and tertiary market areas then applying them to each of the three Greenwood market areas. We then lower the result by 20% to suggest that the location away from a major road may have an impact on attendance. This gives us a total attendance of 96,000

Through the rest of the analysis we use the 96,000 attendance projection.

Budget Issues

Staffing needs and other big budget items will also play a role in the Greenwood waterpark. Listed below are budget and staffing needs at the comparable waterparks.

Table 24. Budget & Staffing Levels - 2003 Season

Waterpark	Staff	Ave. Hourly Wage	Staff Budget	% of Total Budget	Total Budget
Tropicanae Cove*	NA	NA	NA	NA	NA
Kokomo Beach	50	\$7.50	\$100,000	35%	\$350,000
Moorseville	69	\$7.75	\$122,000	40%	\$305,000
Greenwood – current	27	\$8.30	\$70,000	55%	\$127,000

*Information could not be released when data was sought.

Source: Individual parks departments, ERA estimates

Moorseville staff indicated that big expense items include salaries and maintenance. Staff salaries comprise 40% of the waterpark budget, and maintenance is around 9%. In 2003, due to a cold winter, maintenance was 15 – 16%. Staff indicated that as the pool gets older, general maintenance costs have slowly increased.

6. Revenue Projections

The revenue projections in this section include attendance, facility rental, sponsorship, and food and beverage. Attendance revenue will be the biggest revenue creator.

Attendance

Based on comparable admission prices from Kokomo Beach, Mooreville, and Tropicanae Cove, ERA recommends the following admission schedule shown in the table below to arrive at a “break-even” budget. Daily and season pass rates will not be different for residents and non-residents. This will allow the Greenwood waterpark to remain competitive and will increase the number of repeat visitors.

Table 25. Proposed Admission Rates

	Adult (18 +)	Youth (3 – 17)	Toddler (<2)	Senior (55+)
Daily – resident	\$6.50	\$6.50	free	\$6.50
Daily – non-resident	\$6.50	\$6.50	free	\$6.50

Source: ERA estimates

Projected revenue generated from these admission rates is shown in the table on the following page. Season Pass assumptions and revenue are shown below.

Table 26. Season Pass Assumptions

	Percent	Number	Pricing	Revenue
Passes Sold		500		
Percent Adult	35%			
Percent Children	65%			
Percent Resident	75%			
Resident Adult		131	\$60	\$7,860
Resident Children		244	\$60	\$14,640
Percent non-resident	25%			
Non-resident Adult		44	\$60	\$2,640
Non-resident Children		81	\$60	\$4,860
Total		500		\$30,000

Table 27. Attendance Distribution Assumptions

	Number	Attendance
Special Arrangements		
Season Passes	500	10,000
Birthday Party	150	2,400
Group Event Rate	72	1,800
Subtotal		14,200
Gate Attendance Distribution		
Adult	25%	20,450
Youth	50%	40,900
Toddler	15%	12,270
Senior	10%	8,180
Subtotal	100%	81,800
Total		96,000

Table 28. Daily Attendance Revenue Assumptions

	Attendance	Rate	Revenue
Gate Attendance Distribution			
Adult	20,450	\$ 6.50	\$132,925
Youth	40,900	\$ 6.50	\$265,850
Toddler	12,270	\$ -	\$0
Senior	8,180	\$ 6.50	\$53,170
Total	81,800		\$451,945

Total daily attendance revenues come to \$451,945.

Facility Rental

Waterparks often are the backdrop for birthday parties, civic group, and corporate outings. You can have a broad policy for group rentals, but birthday parties are a distinct market. There are places like Chuck E. Cheese that thrive on them as well as museums, bowling alleys, and other facilities that set aside special spaces for them while continuing to offer the regular experience to other visitors. Special party areas will need to be set aside for this business at the Greenwood waterpark.

Our expectation is that you will want to maintain special treatment for birthday parties from Greenwood residents without dissuading others from holding their parties there too. Most places charge between \$7 and \$15 per child for a birthday party. Charges vary with the inclusion, or not, of a cake, goodie bag, extra pizza, and other add-on features. Most parties average ten attendees with several adults and cost about \$150.

The waterpark birthday party adds a few issues. The adults in the party must take responsibility for children other than their own in an environment where life safety is a critical issue. While adults get little out of a Chuck E. Cheese experience, they can have a good time at a waterpark, so they should also pay. Another issue is that birthday parties for Greenwood children will inevitably include children and adults from outside of Greenwood who would normally have to pay a higher admission fee. This will seem awkward when pricing a party, because other birthday party establishments typically don't have such a differentiation and if they do (i.e., a museum with members' children and non-members' children), it's usually not as wide a pricing gap as the resident/ non-resident fees in Greenwood.

Our recommendation is to charge all children and adults in the party Greenwood resident admissions and add a surcharge of \$25 if the birthday child is not a Greenwood resident. We suggest two levels of party food and treats packages of \$6.00 and \$9.00. (You will need the higher level of package, because waterpark birthday parties will work for older as well as younger children, and "a big kids" package is needed here just as it is at McDonald's).

The typical resident ten children / six adult party would have admissions fees of \$140 plus \$60 - \$90 (adults not included since they could buy from the regular refreshment stand) for the party package leading to an average party charge of \$215 for resident children. The \$25.00 surcharge for non-residents leads to an average of \$240 for them. We expect that you will host as many as 500 resident and 200 non-resident birthday parties each summer. With the pricing cited above, this would yield a gross income of approximately \$155,500 a year.

The purchase of a party package would be required to use the party areas.

Table 29. Projected Birthday Party Fees

Resident	Fees
Youth admission	
10 @ \$7.00	\$70
Adult admission	
6 @ \$7.00	\$70
Party package	
Avg. of \$7.50/ child @ 10 children	\$75
Total fee	\$215
Non-resident	
Youth admission	
10 @ \$4.00	\$70
Adult admission	
6 @ \$5.00	\$70
\$25.00 Non-resident surcharge	\$25
Party package	
Avg. of \$7.50/ child @ 10	\$75
Total fee	\$240

Source: ERA estimates

Table 30. Projected Birthday Party Revenue

Category	Parties	Fees	Total
Resident	100	\$215	\$21,500
Non-resident	50	\$240	\$12,000
Grand Total	150	NA	\$33,500

Source: ERA estimates

Other group outings could range from 25 to 75 people and could take place in separate areas of the waterpark. ERA recommends a \$100 rental fee for each time slot for the use of a group shelter. The purchase of a food and beverage package would be required for the rental. A special area that can work for the range of group sizes will be needed for this activity.

ERA would recommend a time frame of roughly three hours for the group to occupy an area and eat. This would also for two potential time slots: 12 to 3PM and 3 to 6PM. Such a schedule may maximize revenue. Other waterparks, especially the private ones, set days aside in August to cater to groups. Some also reserve 2 to 3 afternoons or every other Saturday to accommodate groups.

Since this facility is being built for Greenwood residents, we do not recommend any park “buyouts” except during hours when the park would not ordinarily be open, such as later at night. Since many of these groups will want to come on weekends when the park is

likely to be full, it would be wide to limit groups, steering them to Friday and Thursday afternoons and evenings would create more balance. Some church groups could be targeted for Sunday afternoon. All totaled ERA believes that you are likely to host 6 groups a week for 12 weeks or 72 groups. Our sense is that the average group size would be approximately 30 people. An average food per capita would be \$7 for standard fare. We suggest you address group admission charges by offering groups of 25 or more resident admission rates. Group revenue could total \$25,200.

Table 31. Projected Group Rental Revenue

Groups/ week	6
Week/ season	12
Total groups	72
Food revenue	
People/ group	25
Total people	1,800
Food per capita	\$7
Total food revenue	\$12,600
Total	1,800
Admissions Rate	\$ 5.00
Total admission fees	\$9,000
Facility revenue	
Total groups	72
50% non-resident	36
Rental fee	\$100
Total facility usage fees	\$3,600
Grand Total	\$25,200

Source: ERA estimates

The table below shows the projected revenue for both birthday parties and group outings.

Table 32. Projected Total for Facility Rental Fees

Category	Fees
Birthday parties	\$33,500
Group outings	\$25,200
Grand Total	\$58,700

Source: ERA estimates

Sponsorship

Sponsorship fees will increase after the first or second season. Major sponsors may want to see the popularity of the waterpark before committing to major advertisement. Two to three major sponsors the first year and four to five sponsors in subsequent years is reasonable. Major sponsors may include local branches of national companies, such as the local distributor for Coca-Cola. Industry research suggests an average of \$50,000 per major sponsor per year. Local businesses such as the Kiwanis Club, local banks, and radio stations may also be important resources during the first season. The table below shows total potential revenue from sponsorship.

Table33. Projected Revenue from Sponsorships

	Year 1	Revenue/ Sponsor	Total
Major sponsors	1	\$25,000	\$25,000
Local sponsors	5	\$6,000	\$30,000
Sub-Total			\$55,000
	Year 2	Revenue/ Sponsor	Total
Major sponsors	2	\$25,000	\$50,000
Local sponsors	6	\$6,000	\$36,000
Sub-Total			\$86,000
	Years 3 – 5	Revenue/ Sponsor	Total
Major sponsors	3	\$25,000	\$75,000
Local sponsors	7	\$6,000	\$42,000
Sub-Total			\$117,000

Source: ERA estimates

Food & Beverage

Food and beverage sales will be small, because it is anticipated there will be a lot of repeat visitors to the Greenwood waterpark. As such, they may not feel like buying

snacks every time they visit. For this reason, ERA recommends a \$2.50 average for purchases for about half of the attendance. The \$2.50 average is a good rate, because it would allow one to buy something to drink and eat. Below is a table of potential revenue from food & beverage.

Table 34. Projected Food & Beverage Revenue

Total Non-Event Attendance	50% Buy Snacks	Avg. Spent	Total
81,800	40,900	\$2.50	\$102,250

Source: ERA estimates

The table below summarizes projected revenue from attendance, sponsorships, facility rental, and food & beverage in the first year (today's dollars). The projected grand total is \$1.1 million. With the pricing assumptions this is a break-even scenario.

Table 35. 2004 Dollar Projected Revenue Summary

Category	Total
Daily Attendance	\$451,945
Season Pass	\$30,000
Facility rental	\$58,700
Sponsorship (Third year)	\$117,000
Food & beverage	\$102,250
Grand Total	\$759,895

Source: ERA estimates

An overall projection of revenues and expenses for the first ten years (plus pre-opening) is shown on the next page. The first year includes a 10% bump in attendance which is typical.

Table 36. Proposed Waterpark Cash Flow Projection

REVENUE AND EXPENSE	Planning	Construction	1	2	3	4	5	6	7	8	
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Inflation Index	1	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.3	1.33
Non Event Attendance			89,980	81,800	81,800	81,800	81,800	81,800	81,800	81,800	81,800
Operating Revenues											
Admissions			\$527	\$493	\$511	\$524	\$538	\$556	\$574	\$588	\$600
Season Passes			\$32	\$33	\$34	\$35	\$36	\$37	\$38	\$39	\$40
Food & Beverage			\$119	\$111	\$116	\$119	\$122	\$126	\$130	\$133	\$136
Sponsorship			\$58	\$94	\$132	\$136	\$139	\$144	\$149	\$152	\$155
Events (including Birthday party) revenue			\$62	\$64	\$66	\$68	\$70	\$72	\$75	\$76	\$77
Total Operating Revenue			\$799	\$794	\$859	\$881	\$904	\$935	\$965	\$988	\$1,010
Expenses											
Cost of Goods Sold											
Food & Beverage (% of category revenue)			\$72	\$67	\$69	\$71	\$73	\$75	\$78	\$80	\$82
Operating Expenses											
Pre-Opening Expense		\$220									
Salaries & Wages			\$279	\$278	\$301	\$309	\$316	\$327	\$338	\$346	\$355
Repair & Maintenance			\$64	\$64	\$69	\$71	\$72	\$75	\$77	\$79	\$82
Supplies			\$64	\$64	\$69	\$71	\$72	\$75	\$77	\$79	\$82
Events (including Birthday parties)			\$22	\$22	\$23	\$24	\$24	\$25	\$26	\$27	\$28
Entertainment/Special Events			\$40	\$40	\$43	\$44	\$45	\$47	\$48	\$49	\$50
Advertising & Marketing Activities			\$114	\$103	\$112	\$115	\$118	\$122	\$125	\$128	\$133
Utilities			\$40	\$40	\$43	\$44	\$45	\$47	\$48	\$49	\$50
Insurance			\$48	\$48	\$52	\$53	\$54	\$56	\$58	\$59	\$60
General Office & Administrative			\$32	\$32	\$34	\$35	\$36	\$37	\$39	\$40	\$41
Other			\$40	\$40	\$43	\$44	\$45	\$47	\$48	\$49	\$50
Total Expenses		\$220	\$814	\$796	\$857	\$880	\$902	\$933	\$963	\$986	\$1,010
EBITDA		(\$220)	(\$16)	(\$2)	\$2	\$2	\$2	\$2	\$2	\$2	\$2

